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C O N F I D E N T I A L SECTION 01 OF 03 MEXICO 000310

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E.O. 12958: DECL: 12/21/2017
TAGS: [PGOV](#) [PREL](#) [PINR](#) [MX](#)
SUBJECT: LEGISLATIVE SESSION OPENS, ALL EYES ON ELECTIONS

REF: MEXICO 00212

Classified By: Political Minister Counselor Charles V. Barclay.
Reason: 1.4 (b), (d).

11. (C) Summary. Mexico's three largest political parties have developed action plans for the Congress' final legislative session. Each of the parties is looking not only to pass necessary economic and security measures, but also to use the session as an integrated part of their campaigns as they hone their electoral strategies in the run-up to the July elections. The PAN will be focused primarily on securing the passage of economic and security-related measures that were left uncompleted when the previous legislative session closed in mid-December, while the PRI and the PRD attempt to woo voters with more populist proposals. Despite what is sure to be endless political posturing, all three major parties are focused on the very real economic and security problems Mexico faces, and key security legislation probably will pass despite what may be extended debate. As the session takes shape, the actual passage of important bills may not be at stake despite rhetoric from all political corners, but who manages to most effectively use the legislative results on the road to the ballot box will be.

Parties Draft Agendas for Final Session

12. (C) Mexico's three largest political parties, President Calderon's National Action party (PAN), the Institutional Revolutionary Party (PRI) and the Revolutionary Democratic Party (PRD) over the weekend and early this week each held strategy sessions in preparation for the opening on February 4 of the final legislative session before the July Chamber of Deputy and gubernatorial elections. In addition to passing necessary economic and security measures, each of the parties is looking to use the session as an integrated part of their campaigns as they hone their electoral strategies in the run-up to what are certain to be hard-fought contests.

PAN Focused on Unfinished Business

13. (U) The PAN will be focused primarily on securing the passage of economic and security-related measures that were left uncompleted when the previous legislative session closed in mid-December. During a Chamber of Deputies party plenary in Chiapas earlier this week, the coordinator of the PAN Chamber bloc, Hector Larios, noted that the party's first priority in Congress will be to pass proposed reforms to the Law of Acquisitions, Law of Public Works, and Law of

Expropriation to facilitate efforts to address Mexico's economic woes by allowing the government to more quickly execute the infrastructure programs--such as the construction of roads, prisons, and schools--called for by President Calderon. The party probably will work to alter banking practices it considers predatory, such as more strictly regulating credit cards. Larios has rejected calls from the PRI to pass an "emergency law" to address the faltering economic environment and instead argued that Congress engage on the structural changes called for by Finance Secretary Agustin Carstens. (Note: PRI Senate leader Manlio Fabio Beltrones has since publicly said that the GOM is indeed willing to at least discuss such a measure. End Note.) PAN Senate President Gustavo Madero has echoed similar goals for the party's group in the Senate.

14. (U) PAN's second priority in the Chamber, according to Larios, will be concluding several key public security measures still pending in Congress, such as reform of the Attorney General's Office (PGR), federal police reorganization, asset forfeiture, and narcomenudeo, which would establish penalties for small-time drug dealers and mandate treatment for users. When asked in a press conference as to the potential electoral purpose of the party plenary, Larios admitted that it "has a legitimate purpose, one hundred percent, to inform the citizens of the successful programs that the PAN administration has achieved."

PRI Tilting Toward Populism

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15. (C) In line with its populist tradition, PRI is advocating for a number of proposals that appear to be crafted with the elections firmly in mind. PRI Director for International Relations Ceslo Delgado told Poloff last month that the party as part of its election campaign will look to refocus attention on farmers and rural workers "struggling" under the Calderon government as part of its election campaign, the GOM's inability to effectively treat broader economic issues, and its difficulties in resolving the country's deteriorating security situation (ref a).

16. (C) The PRI's goals for this session, in fact, dovetail nicely with such an attempt to tar the PAN and the Calderon government. The party's ten point Senate agenda--which was approved during a party plenary in Queretaro on Tuesday and closely mirrors the party's Chamber of Deputies program--includes measures to protect the "family economy," support rural workers, economic growth and social development, employment, transparency in politics, public security and justice. The PRI will push for a reduction in the price of diesel, make payments for medicine tax deductible, and is also asking for an expedited distribution of promised resources to farmers and rural workers. The PRI is clamoring for a labor reform that would, for example, eradicate "abusive" practices by business owners such as outsourcing. The PAN initially indicated it would not support such discussions, but now appears to be reconsidering. As with the PAN, the PRI also supports efforts to more strictly regulate banking practices, including regulating the cost of commissions or expenditures for users of financial services, as well as the practices of non-banking institutions such as pawnshops.

17. (C) In addition to economic concerns, the PRI's Senate bloc will attempt to burnish its law and order credentials by advocating for the criminalization of "narcomantas," banners with drug and crime related messages, as well as "narcocorridos," or drug ballads. The party will advocate for the approval of a new federal Anti-Kidnapping Law--the constitutional provision allowing Congress to work on the issue still must be passed by some 16 state congresses. The PRI has included in its agenda a Federal Law for Private Security, a Law for Justice for Adolescents, and new Law of

Injunctions. In the Chamber, the party also will look to expedite the passage of the anti-kidnapping bill, as well as the approval of a new federal procedural penal code, a new PGR law, and measures to suspend the Supreme Court's investigative authority.

PRD Goes Negative

18. (U) The PRD's Senate plenary session in Guanajuato resulted in decisions to focus on four legislative priorities and to focus rhetorical attacks on the PAN's security and economic errors nationwide. The four focus areas include: 1) strengthening the economy and public well-being during the economic crisis; 2) justice and security; 3) transparency, democracy, and government; and, 4) foreign relations. The party has said it will support discussions of labor reform, but wants it to target lack of transparency in the oil workers' union (which mostly backs the PRI) and the teachers union (which has supported President Calderon). Like the PRI, the PRD's economic agenda trends toward the populist, with a packet of reforms that include an eight percent increase in the minimum salary and a ten percent decrease in the price of diesel, natural gas, and gasoline. The party will ask for a law to spur public investment, which would include the creation of a national development fund, and for job creation programs. The PRD has also said it will look to propose necessary security related reforms, but will ensure that they do not compromise human rights nor the individual rights of citizens. The party will seek approval of penal code reforms related to narcomenudeo and drug addiction.

Comment

19. (C) The final session of Mexico's Congress tends to be less productive as parties gear up for elections and deputies begin job-hunting. This session may be no different as the various players seek to position themselves to greater

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electoral advantage. Political posturing may lead to a more divisive legislative process, slowing the passage of some laws, as well as the proposal of fluff laws intended to appeal to voters' fancies rather than attending to pressing needs.

110. (C) Nevertheless, all three major parties are focused on the very real economic and security problems Mexico faces, and key security legislation probably will pass despite what may be extended debate. Our congressional contacts have noted that parties have reached a compromise on asset forfeiture, and that it, as well as narcomenudeo, may be approved early this session. Our contacts have also reported that Calderon probably will secure the passage of other measures key to his reform efforts, such as police reorganization, but that they may come at some political cost due to public opposition from the PRI and the PRD. Our contacts within the parties have said that this session will be less of a "lame duck" than usual for the final months of a Mexican legislature as all players recognize the pressing need to address the issues the country faces. As the session takes shape, the actual passage of important bills may not be at stake despite rhetoric from all political corners, but who manages to most effectively use the legislative results on the road to the ballot box will be.

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